

1 SJR150
2 113231-2
3 By Senators Bedford, Holley, Barron, Butler, Orr, Beason,
4 Benefield, Bishop, Brooks, Coleman, Denton, Dixon, Erwin,
5 Figures, French, Glover, Little (T), Little (Z), Marsh, Means,
6 Mitchell, Mitchem, Penn, Pittman, Poole, Preuitt, Ross,
7 Sanders, Singleton, Smith, Smitherman, and Waggoner
8 RFD:
9 First Read: 14-MAY-09

8 CALLING ON RETIREMENT SYSTEMS OF ALABAMA TO CONDUCT
9 AN ACTUARIAL STUDY OF THE PACT PROGRAM AND MAKE
10 RECOMMENDATIONS TO THE GOVERNOR AND INDIVIDUAL MEMBERS OF THE
11 LEGISLATURE.
12

13 WHEREAS, the Alabama Prepaid Affordable College
14 Tuition (PACT) Program was created to assist individuals in
15 paying the costs and expenses of and to encourage more
16 students to attend institutions of higher education; and

17 WHEREAS, throughout the many years of successful
18 operation of the PACT Program, the public has invested in the
19 program to provide a college education and hopefully a
20 brighter future for their children, grandchildren and loved
21 ones; and

22 WHEREAS, the funds invested in the PACT Program have
23 been impacted by the recent economic crisis and concerns about
24 the solvency of the program, the ability of the PACT Board to
25 honor PACT contracts, and increasing tuition costs, have
26 intensified; and

1 WHEREAS, the approximately 48,000 program
2 participants who are currently enrolled in college or
3 preparing to attend college should receive the benefits that
4 are specified and implied in the contracts written and issued
5 by the PACT Board; and

6 WHEREAS, the PACT Program contracts maturing within
7 the next three to four years are reported to be secure;
8 however, there should be a thorough review of the financial
9 issues facing the PACT Program and to note any evidence of the
10 failure of the proper administration of the program, including
11 the short-term and long-term finances of the program; and

12 WHEREAS, although neither the Governor nor the
13 Legislature administered the PACT Program, both are determined
14 to preserve the fund that allows many in this state to attend
15 college; now therefore,

16 BE IT RESOLVED BY THE LEGISLATURE OF ALABAMA, BOTH
17 HOUSES THEREOF CONCURRING AND WITH THE GOVERNOR'S SIGNATURE
18 HEREIN AFFIXED, That we call on the Retirement Systems of
19 Alabama to conduct a thorough actuarial study of the financial
20 issues of the PACT Program. We hereby request its findings and
21 recommendations to be provided to the Governor and to each
22 member of the Legislature. We urge that this study begin
23 immediately following the enactment of this resolution at a
24 time, date, and place as directed by the Chief Executive
25 Officer of the Retirement Systems, who shall serve as the
26 director of the study. The Retirement Systems shall not be
27 limited in scope or access to information issues affecting the

1 PACT Plan including, but not limited to, any existing
2 legislative proposals for addressing its findings. The State
3 Treasurer is requested to provide to the Retirement Systems of
4 Alabama all the assistance, both technical and clerical,
5 needed for this actuarial study. The Legislature and the
6 Governor, with a sense of urgency, calls upon the Retirement
7 Systems of Alabama to report its findings, conclusions, and
8 recommendations in writing to the Governor and individual
9 members of the Legislature as soon as possible. Any incurred
10 costs shall be paid out of any funds appropriated to the use
11 of the Legislature by means of warrants drawn by the state
12 Comptroller on the State Treasury.